

External assistance: a financing instrument for cooperation with industrialised countries and territories and other high-income countries and territories

2006/0807(CNS) - 24/07/2006 - Legislative proposal

PURPOSE: to propose a new financing instrument for cooperation with industrialised and other high-income countries and territories (2007-2013).

PROPOSED ACT: Council Regulation.

LEGAL CONTEXT: as stated in the former initial proposal (see summary dated 1 October 2004), this proposal is the result of the splitting of proposal COD/2004/0220 establishing a financing instrument for development and economic cooperation. It has been decided to split that proposal into three separate texts:

- the present text ;
- a Regulation establishing a financing instrument for the promotion of democracy and human rights world wide (see **COD/2006/0116**);
- a Regulation establishing a financing instrument for development cooperation (see **COD/2004/0220**).

Following this split, the Council sent a letter to the European Parliament requesting that it be formally consulted on this issue. Moreover, in order to enable a common approach to the Community's operations in this field, it is envisaged that the separate draft Regulations will as far as possible contain identical provisions, and be adopted simultaneously.

CONTENT: over the past decade, the Community has consistently strengthened its bilateral relations with a broad range of industrialised and other high-income countries and territories across different regions of the world, primarily in North America, East Asia and Australasia, but also in South-East Asia and the Gulf region. It is the Community's interest to further deepen its relations with industrialised countries and territories with which it often shares similar political, economic and institutional structures and values and which are important bilateral political and trading partners as well as players in multilateral fora and in global governance. The European Union and industrialised and other high income countries and territories have agreed to strengthen their relationship and to cooperate across the areas in which they have shared interests through a variety of bilateral instruments such as agreements, declarations, action plans and other similar documents.

The main aim of cooperation with these countries and territories shall be to :

- § provide a specific response to the need to strengthen links and to engage further with them on a bilateral, regional or multilateral basis;
- § contribute to the creation of a more favourable environment for the development of the relations of the Community with these countries and territories;
- § promote dialogue and Community's strategic interests.

Beneficiary countries: Australia; Bahrain; Brunei; Canada; Chinese Taipei; Hong-Kong; Japan; Republic of Korea; Kuwait; Macao; New Zealand; Oman; Qatar; Saudi Arabia; Singapore; United Arab Emirates; United States.

However, in duly justified circumstances and in order to foster regional cooperation, the Commission may decide when adopting action programmes that countries not listed above are eligible, where the project or programme to be implemented is of regional or cross border nature. This list may be amended in accordance with regular OECD/DAC reviews.

Areas of cooperation: measures financed under this Regulation shall cover areas of cooperation set out notably in the instruments, agreements, declarations and action plans, between the Community and the partner countries as well as areas pertaining to the Community's strategic interests. Community assistance shall support cooperation actions consistent with Article 1 and shall be consistent with the overall purpose, scope, objectives and general principles of this Regulation. Specific attention shall be paid to actions in the following **areas of cooperation:**

- 1) the promotion of cooperation, partnerships and joint undertakings between economic, academic and scientific actors in the Community and partner countries;
- 2) the stimulation of bilateral trade, investment flows and economic partnerships;
- 3) the promotion of dialogues between political, economic and social actors and other nongovernmental organisations in relevant sectors in the Community and partner countries;
- 4) the promotion of people-to-people links, education and training programmes and intellectual exchanges and the enhancement of mutual understanding between cultures and civilisations;
- 5) the promotion of cooperative projects in areas such as research, science and technology, energy, transport and environmental matters, customs and any other matter of mutual interest between the Community and the partner countries;
- 6) the enhancement of awareness about and understanding of the European Union and of its visibility in partner countries;
- 7) support for specific initiatives, including research work, studies, pilot schemes or joint projects destined to respond in an effective and flexible manner to cooperation objectives arising from developments in the Community's bilateral relationship with the partner countries or aiming to provide impetus to the further deepening and broadening of bilateral relationships with them.

Programming and allocation of funds: actions to promote cooperation under this Regulation shall be carried out in the framework of multi-annual cooperation programmes which the Commission will draw up. They shall set out the Community's strategic interests and priorities, general objectives and expected results. They shall be reviewed at mid-term, or ad hoc if necessary.

Implementation measures: the Commission shall adopt annual action programmes based on the multi-annual cooperation programmes. Annual action programmes shall specify, for all or for a selection of partner countries, the objectives pursued, the fields of intervention, the expected results, the management procedures and the total amount of financing planned. They shall contain a description of the operations to be financed, an indication of the amounts allocated for each operation and an indicative implementation timetable.

The draft Regulation also lays down provisions on the following issues:

- **eligibility:** entities and bodies in the Member States and in the partner countries (public or parastatal bodies; companies; NGOs; International organisations, etc).
- **types of financing:** the financing of cooperation projects and programmes will be made from the Community's budget either in totality or will take the form of co-financing with other sources.
- **support measures:** Community financing may cover expenditure associated with the preparation, follow up, monitoring, audit and evaluation activities directly necessary for the implementation of this
 - Regulation and the achievement of its objectives, and any other administrative or technical assistance expenditure necessary for the management of the programme. It shall also cover expenditure at Commission Executive agencies and Delegations, on the administrative support needed to manage operations financed under this Regulation. These support measures are not necessarily covered by multi-annual programmes and may therefore be financed outside their scope. However, they may also be financed under multi-annual programmes.
- **co-financing measures;**
- **management procedures** implemented in accordance with the EU's Financial Regulation;
- **evaluation:** the Commission shall regularly evaluate the actions and programmes financed under this Regulation in order to ascertain whether the objectives have been met and enable it to formulate recommendations with a view to improving future operations.

Council Regulation 382/2001/EC, amended by Council Regulation 1900/2005 concerning the implementation of projects promoting cooperation and commercial relations between the European Union and the industrialised countries (see **CNS/2004/0288**) shall be repealed as of 1 January 2007. The amount of Community funding deemed necessary for the implementation of the actions identified in this Regulation will be established by the budget authority on an annual basis within the limits of the financial perspectives (see **the indicative financial statement**).